
**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE
MEETING MINUTES**

May 17, 2011

A meeting of the Benefits and Program Administration Committee (BPAC) was held on Tuesday, May 17, 2011, in the Lincoln Plaza North Auditorium, 400 Q Street, Sacramento, California.

The meeting was called to order at 8:30 a.m. and the roll was called. The following members were present:

George Diehr, Chair
Rob Feckner, Vice Chair
Terry McGuire for John Chiang
Richard Costigan
Henry Jones
Priya Mathur
Louis Moret
Tony Oliveira
Howard Schwartz for Ronald Yank

Other Board Member(s):

Robert Biegler for Bill Lockyer
JJ Jelincic

AGENDA ITEM 3a – 2011 SPECIAL MEMBER-AT-LARGE ELECTION – NOTICE OF ELECTION AND SCHEDULE OF EVENTS UPDATE

Kim Malm, Chief, Operations Support Services Division, presented the 2011 Special Member-At-Large Election – Notice of Election and Schedule of Events as an action item.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Feckner and **CARRIED**, the Committee recommended the Board approve the Amended Notice of Election and Schedule of Events for the 2011 Member-At-Large Special Election.

AGENDA ITEM 4a – ACTUARIAL VALUATION REPORT FOR THE 1959 SURVIVOR BENEFIT PROGRAM AS OF JUNE 30, 2010 AND REQUIRED EMPLOYER AND EMPLOYEE CONTRIBUTION RATE FOR THE 2011-2012 FISCAL YEAR

Rick Santos, Senior Pension Actuary, presented the Actuarial Valuation Report for the 1959 Survivor Benefit Program as of June 30, 2010 and Required Employer and Employee Contribution Rate for the 2011-2012 Fiscal Year as an action item.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Jones and **CARRIED**, the Committee recommended the Board accept and approve the June 30, 2010 actuarial valuation report for the Public Agencies' 1st, 2nd, 3rd, 4th, and Indexed Levels and for the State and Schools 5th Level of the 1959 Survivor Program and with the adoption of the employer and employee monthly premiums for fiscal year 2011-201 as shown in the agenda item.

AGENDA ITEM 4b – ACTUARIAL VALUATION REPORT FOR THE JUDGES' II RETIREMENT SYSTEM AS OF JUNE 30, 2010 AND EMPLOYER CONTRIBUTION RATE FOR THE 2011-2012 FISCAL YEAR

Fritzie Archuleta, Senior Pension Actuary, presented the Actuarial Valuation Report for the Judges' II Retirement System as of June 30, 2010 and Employer Contribution Rate for the 2011-2012 Fiscal Year as an action item.

On **MOTION** by Mr. Jones, **SECONDED** by Mr. Costigan and **CARRIED**, the Committee recommended the Board accept and approve the June 30, 2010 Judges' II Retirement System actuarial valuation report along with the change in assumptions as outlined in the report and transmittal letter with adoption of an employer contribution rate of 23.441 percent for the period of July 1, 2011 to June 30, 2012.

AGENDA ITEM 4c – ACTUARIAL VALUATION REPORT FOR THE LEGISLATORS' RETIREMENT SYSTEM AS OF JUNE 30, 2010 AND EMPLOYER CONTRIBUTION RATE FOR THE 2011-2012 FISCAL YEAR

David Clement, Senior Pension Actuary, presented the Actuarial Valuation Report for the Legislators' Retirement System as of June 30, 2010 and Employer Contribution Rate for the 2011-2012 Fiscal Year as an action item.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Costigan and **CARRIED**, the Committee recommended the Board approve the June 30, 2010 Legislators' Retirement System actuarial valuation report along with change in assumptions as outlined in the report and transmittal letter with adoption of an employer contribution rate of 0 percent as well as 0 percent contribution rate for all members for the period of July 1, 2011 to June 30, 2012.

Also approve the use of a 6% discount rate assumption in all affected member calculations effective as follows:

1. For service credit purchases under the “present value” method, the use of the new discount rate will apply to all applications postmarked on or after May 19, 2011.
2. For retirement applications, any application with a retirement date on or after May 19, 2011 will be subject to the new discount rate.

AGENDA ITEM 4D – STATE AND SCHOOLS EMPLOYER CONTRIBUTION RATES FOR THE 2011-2012 FISCAL YEAR

Alan Milligan, Chief Actuary, presented the State and Schools Employer Contribution Rates for the 2011-2012 Fiscal Year as an information item. At the direction of the Chair, the Committee took action to adopt contribution rates.

On **MOTION** by Ms. Mathur, **SECONDED** by Mr. Costigan and **CARRIED**, the Committee recommended the Board adopt the contribution rates for the State plans and Schools pool for the period July 1, 2011 to June 30, 2012 as set forth in the following table:

Employer Contribution Rate for the 2011-2012 Fiscal Year	
State Miscellaneous Tier 1	18.175%
State Miscellaneous Tier 2	17.025%
State Industrial	14.934%
State Safety	16.428%
State Peace Officers & Firefighters	27.415%
California Highway Patrol	31.264%
Schools	10.923%

AGENDA ITEM 4e – CHIEF ACTUARY REPORT

Mr. Milligan had nothing to report.

AGENDA ITEM 5 – PSR: STAKEHOLDER COMMUNICATION FOR SYSTEM CONVERSION

Donna Lum, Deputy Executive Officer, Customer Services and Support; Karen DeFrank, Project Manager, Public Employers Readiness Team; Christian Farland, Chief, Enterprise Transition Management; and Tacey Derenzy, Manager, PSR Communications Office, presented the PSR: Stakeholder Communications for System Conversion as an information item.

AGENDA ITEM 6a – ALTERNATE RETIREMENT PROGRAM UPDATE

Darryl Watson, Chief, Customer Account Services Division; Nova Horton Staff Services Manager II, Retirement Account Services; and Heather Hurff, Staff Services Manager I, Retirement Account Services, presented the Alternate Retirement Program Update as an information item.

AGENDA ITEM 6b – CUSTOMER SERVICES AND SUPPORT PERFORMANCE MEASURES

Ms. Lum, Mr. Watson, Mary Lynn Fisher, Chief, Benefit Services Division, and Lori McGartland, Chief, Customer Service and Outreach Division, presented the Customer Services and Support Performance Measures as an information item.

AGENDA ITEM 6c – DEPUTY EXECUTIVE OFFICER REPORT

Ms. Lum presented the DEO Matrix as an information item.

AGENDA ITEM 6d – DRAFT AGENDA FOR THE JUNE 14, 2011, BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE MEETING

The following items were removed from the BPAC draft agenda:

- State Industrial Disability Cost Report
- State and Schools Employer Contribution Rates for the 2011-2012 Fiscal Year

AGENDA ITEM 7 – PUBLIC COMMENT

Neil Johnson, Service Employees International Union Local 1000, and Kristen Hayne, California Association of Professional Scientist and Professional Engineers in California Government, provided public comment on agenda item 6a.

The next meeting of the Benefits and Program Administration Committee is scheduled for June 14, 2011, in Sacramento, California.

DONNA RAMEL LUM
Deputy Executive Officer
Customer Services and Support

Date